

SENATE BILL 299

Unofficial Copy
K4

2003 Regular Session
(3r1444)

ENROLLED BILL
-- Budget and Taxation/Appropriations --

Introduced by **Senator Kasemeyer (Chairman, Joint Committee on Pensions)**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Employees' and Teachers' Retirement and Pension Systems - Vested**
3 **Allowance - Lump-Sum Payment**

4 FOR the purpose of allowing certain individuals who are former members of the
5 Employees' and Teachers' Retirement and Pension Systems and who are eligible
6 to receive a vested retirement allowance, to elect to receive a lump-sum
7 payment of the vested retirement allowance under certain circumstances; and
8 generally relating to the distribution of a vested retirement allowance to former
9 members of the Employees' and Teachers' Retirement and Pension Systems.

10 BY adding to
11 Article - State Personnel and Pensions
12 Section 29-302.1 and 29-303.1
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 2002 Supplement)

15 BY repealing and reenacting, with amendments,

1 Article - State Personnel and Pensions
 2 Section 30-307(d)
 3 Annotated Code of Maryland
 4 (1997 Replacement Volume and 2002 Supplement)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 6 MARYLAND, That the Laws of Maryland read as follows:

7 **Article - State Personnel and Pensions**

8 29-302.1.

9 (A) THIS SECTION APPLIES ONLY TO AN INDIVIDUAL WHO :

10 (1) IS A FORMER MEMBER OF:

11 (I) THE EMPLOYEES' RETIREMENT SYSTEM; OR

12 (II) THE TEACHERS' RETIREMENT SYSTEM;

13 ~~(2) IS A MEMBER OF THE OPTIONAL RETIREMENT PROGRAM;~~

14 ~~(3)~~ (2) IS ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER §
 15 29-302 OF THIS SUBTITLE; AND

16 ~~(4)~~ (3) HAS NOT ELECTED TO RECEIVE A BENEFIT UNDER § 29-302 OF
 17 THIS SUBTITLE.

18 (B) NOTWITHSTANDING § 29-302 OF THIS SUBTITLE, AN INDIVIDUAL UNDER
 19 SUBSECTION (A) OF THIS SECTION MAY ELECT A LUMP-SUM PAYMENT EQUAL TO
 20 THE PRESENT VALUE OF THE INDIVIDUAL'S VESTED ALLOWANCE IF:

21 (1) THE VESTED ALLOWANCE IS LESS THAN \$50 A MONTH;

22 (2) (I) THE INDIVIDUAL IS NOT A MEMBER OF THE OPTIONAL
 23 RETIREMENT PROGRAM AND HAS TERMINATED ANY EMPLOYMENT WITH A
 24 PARTICIPATING EMPLOYER FOR THE STATE; OR

25 (II) THE INDIVIDUAL IS A MEMBER OF THE OPTIONAL RETIREMENT
 26 PROGRAM AND HAS TERMINATED EMPLOYMENT WITH THE STATE AN EMPLOYING
 27 INSTITUTION AS DEFINED IN § 30-101(E) OF THIS ARTICLE; AND

28 (3) THE INDIVIDUAL REQUESTS A LUMP-SUM PAYMENT OF THE VESTED
 29 ALLOWANCE ON A FORM PROVIDED BY THE STATE RETIREMENT AGENCY.

30 29-303.1.

31 (A) THIS SECTION APPLIES ONLY TO AN INDIVIDUAL WHO:

32 (1) IS A FORMER MEMBER OF:

- 1 (I) THE EMPLOYEES' PENSION SYSTEM; OR
 2 (II) THE TEACHERS' PENSION SYSTEM;
 3 ~~(2) IS A MEMBER OF THE OPTIONAL RETIREMENT PROGRAM;~~
 4 ~~(3)~~ (2) IS ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER §
 5 29-303 OF THIS SUBTITLE; AND
 6 ~~(4)~~ (3) HAS NOT ELECTED TO RECEIVE A BENEFIT UNDER § 29-303 OF
 7 THIS SUBTITLE.

8 (B) NOTWITHSTANDING § 29-303 OF THIS SUBTITLE, AN INDIVIDUAL UNDER
 9 SUBSECTION (A) OF THIS SECTION MAY ELECT A LUMP-SUM PAYMENT EQUAL TO
 10 THE PRESENT VALUE OF THE VESTED ALLOWANCE IF:

- 11 (1) THE VESTED ALLOWANCE IS LESS THAN \$50 A MONTH;
 12 (2) (I) THE INDIVIDUAL IS NOT A MEMBER OF THE OPTIONAL
 13 RETIREMENT PROGRAM AND HAS TERMINATED ANY EMPLOYMENT WITH A
 14 PARTICIPATING EMPLOYER FOR THE STATE; OR
 15 (II) THE INDIVIDUAL IS A MEMBER OF THE OPTIONAL RETIREMENT
 16 PROGRAM AND HAS TERMINATED EMPLOYMENT WITH THE STATE AN EMPLOYING
 17 INSTITUTION AS DEFINED IN § 30-101(E) OF THIS ARTICLE; AND
 18 (3) THE INDIVIDUAL REQUESTS A LUMP-SUM PAYMENT OF THE VESTED
 19 ALLOWANCE ON A FORM PROVIDED BY THE STATE RETIREMENT AGENCY.

20 30-307.

21 (d) (1) THIS SECTION APPLIES ONLY TO A PARTICIPATING EMPLOYEE
 22 WHOSE LAST EMPLOYER PRIOR TO JOINING THE PROGRAM WAS A PARTICIPATING
 23 EMPLOYER THAT DOES NOT PARTICIPATE IN THE EMPLOYER PICK-UP PROGRAM AS
 24 DEFINED IN § 414(H)(2) OF THE INTERNAL REVENUE CODE.

25 (2) A participating employee may withdraw any accumulated
 26 contributions in the annuity savings fund on or after the effective date of the
 27 participating employee's election to join the program.

28 [(2)] (3) If a participating employee withdraws the accumulated
 29 contributions, the participating employee forfeits any right to a benefit in the State
 30 system from which the accumulated contributions were withdrawn.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 32 July 1, 2003.

